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C O N F I D E N T I A L SECTION 01 OF 04 BANGKOK 000278

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TAGS: [PGOV](#) [PHUM](#) [PREL](#) [SA](#) [TH](#)

SUBJECT: THE CURSE OF THE BLUE DIAMOND: THAILAND INDICTS
FIVE POLICEMEN TO SALVAGE RELATIONSHIP WITH SAUDI ARABIA

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Classified By: DCM James F. Entwistle, Reasons 1.4(b) and (d)

¶1. (SBU) Summary: In the latest chapter of a two decade-long saga which has long soured Thai-Saudi relations, the Royal Thai Government (RTG) Office of the Attorney General on January 12 indicted five police officers in connection with the 1990 murder of a Saudi Arabian businessman with family ties to the Saudi royal family, just weeks before the expiration of the 20-year statute of limitations. In 1989, a Thai worker in the Saudi Arabian royal palace stole a large quantity of jewelry and smuggled it back to Thailand, including a 50-carat blue diamond. The graft, murders, and kidnappings that followed this incident resulted in a rift in the Saudi-Thai relationship that has lasted to the present day, compounded by the murder of four Saudi diplomats in 1989-1990 in circumstances never clearly explained publicly. In their effort to respond to Saudi demands for justice, the RTG seeks to hold senior members of the Royal Thai Police (RTP) accountable for their part in the drama and, in doing so, normalize relations with Saudi Arabia and possibly reap economic benefits through expanded trade and investment with gulf states.

¶2. (C) Comment: Tales of intrigue, theft, kidnapping, murder, police misconduct, economic interests, and sectarian feuds, mixed in with possible ties to royal families in two kingdoms, are rich material for writers and conspiracy theorists, but not always conducive to effective and transparent investigation, let alone justice. The Thai media has persisted in mixing up the strands of the jewelry theft story with the separate story of the Saudi diplomat murders, which almost certainly were part of a Saudi feud with Hezbollah. Even linkages between the initial 1989 jewelry theft and later murders of the Saudi businessman in 1990 and family mem3e=[!zntability in Thailand for crimes committed by those in authority, in this case the police. The moves could also help normalize Thai-Saudi relations, but may not be enough. According to the Saudi Charge to Thailand, King Abdullah assured him that he would elevate the Charge to Ambassador -- thereby restoring normal diplomatic ties between the two countries -- provided the

Charge could make progress on the businessman murder and jewelry theft cases. At the moment, there is progress on the former, but not on the latter. END SUMMARY AND COMMENT

A CURSED DIAMOND CORRUPTS POLICE AND JUDGES...

¶4. (SBU) In 1989, Kriangkrai Techamong, a Thai working in the palace of Prince Faisal (son of then-King Fahd) in Riyadh, stole an estimated 200 pounds of jewelry worth approximately \$20 million from the palace and smuggled it back into Thailand. Among the jewels was a 50-carat blue diamond, a prized possession of the Saudi royal family. Kriangkrai was ultimately convicted of theft in Thailand in 1990, and received a five-year sentence (he served almost three, before being released in 1994).

¶5. (SBU) In the course of the investigation of the theft, sale, and dispersal of the jewelry, the wife and child of Santi Sithanakhan, a jewel trader involved in the case, were kidnapped, held hostage, and ultimately killed in 1994. The Bangkok Criminal Court found a group led by Royal Thai Police (RTP) officers guilty in 2002; the police allegedly kidnapped the family members in order to pressure Santi to reveal information about what happened to the jewels. The police gang had demanded a ransom of several million baht but killed the hostages after receiving the ransom payment to cover up

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their illicit behavior.

¶6. (SBU) During the subsequent prosecution of the kidnappers, two judges, one from the appeals court and one from the supreme court, attempted to extort millions of baht from the ringleader of the kidnapping plot, RTP Lieutenant General Chalo Koetthet. Both judges were charged with corruption and fired in 2001. After the original 2002 conviction was appealed, the Appeals Court implemented much stricter sentencing in 2004, including a death sentence for the ringleader, LTG Chalo. The Supreme Court upheld the death sentence in October 2009, as well as sentences of varying degrees of severity for the accomplices. While some of the defendants have been acquitted, or had the charges dismissed against them as the case worked its way through the judicial system, at least one of the accused has died in prison. Many superstitious Thai citizens theorized that the Blue Diamond was cursed.

...AND A SAUDI BUSINESSMAN DISAPPEARS...

¶7. (SBU) In February 1990, another presumed victim in this tangle of intrigue, Saudi Arabian businessman Mohammad Al-Ruwaily, went missing in Thailand. A group of policemen, led by now RTP Lieutenant General Somkhit Boonthanom, were initially arrested in the Al-Ruwaily case, though the Office of the Attorney General (OAG) dismissed the case against them. In 2009, the Abhisit government directed the Department of Special Investigations (DSI) to reopen the investigation, and on January 12 DSI and the OAG announced the indictments of five police officers, including LTG Somkhit, on abduction and murder charges, for beating and killing Al-Ruwaily.

¶8. (C) Saudi Arabian Charge to Thailand Nabil Ashri told the Naval Attache at a January 27 dinner that he had been personally instructed by Saudi Arabian King Abdullah to make progress on the Al-Ruwaily case, as well as the jewelry theft. According to Nabil, during an audience with King Abdullah, the King had assured him that he would "make him an Ambassador if he made progress on this."

...MEANWHILE SAUDI DIPLOMATS WERE DYING

¶9. (C) Even before the jewelry theft and dispersal was

devolving into a morass of corruption, extortion and murder, a Saudi Arabian diplomat was killed in Bangkok in January 1989; and another three were killed in February 1990, close in time to the Al-Ruwaily murder. Thai authorities initially arrested Thai Muslim businessmen and charged them with the diplomat murders, only to have the Supreme Court dismiss the charges against the defendants. In the 20 years since, Thai media have routinely conflated the jewelry theft case story lines with the four diplomat murders, though a January 16 Bangkok Post expose on the tangled tale of Thai-Saudi relations did mention that the Department of Special Investigation (DSI) "has now concluded the murder of the diplomats was linked to sectarian disputes."

¶10. (C) During a January 15 lunch with visiting Assistant Secretary for Political-Military Affairs Andrew Shapiro, Dr. Panitan Wattanayagorn, Deputy Secretary General for Prime Minister Abhisit and Acting RTG Spokesman, was more emphatic in delinking the various Saudi-Thai cases. Panitan stated that it was commonly accepted by Thai security and intelligence officials that the four Saudi diplomats had been killed by Hezbollah, supposedly in retribution for bungled attempts by the Saudi government to assassinate Hezbollah operatives. Panitan said there was no clear reason why this information had not been made public in the face of media confusion, other than that the RTG had been cautious about the association with Hezbollah and Iran.

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DOES FOREIGN POLICY LEAD TO POLICE ACCOUNTABILITY?

¶11. (SBU) The January 12 indictments triggered positive responses from both human rights advocates and the Royal Embassy of Saudi Arabia. Veteran human rights attorney Thongbai Thongpao, who successfully represented both defendants in the Saudi diplomat killings cases, told us he believes that this indictment will encourage the RTP to respect better the rule of law. Despite the lengthy period of inaction on the case, he emphasized to us that it was standard operating procedure to reopen proceedings if new evidence or witnesses emerged. Similarly, human rights lawyer Wibun Ingkhakun told us he believed that DSI and OAG had discovered sufficient new evidence to revive the case. While he did not see a hidden domestic political agenda behind the indictments, he did acknowledge to us the role played by Saudi Arabian pressure.

¶12. (SBU) A press release from the Saudi Arabian Embassy in Bangkok praised the RTG efforts and stated that Saudi Arabia "has been waiting for this day for almost 20 years." While enthusiastic in tone, it sounded a cautious note, in expressing "hope that Thai authorities will maintain these efforts and momentum on the two other cases which are equally important."

¶13. (C) However, Suepsakul Common, MFA Director in the Department of Middle East and African Affairs (and previously a Saudi Arabia desk officer for six years) told us that despite the press release, the Mohammad Al-Ruwaily case was the only truly pending case. While there has been no conviction in the cases of the murdered diplomats, he believed both nations agree that those murders were the result of "conflict in the Middle East" and not a result of Thai actions. Therefore, while the Saudis want Thai authorities to continue to gather evidence in these cases, they recognize the complications that the RTG faces in doing so, according to Suepsakul.

A NEW BEGINNING?

¶14. (C) Panitan from the PM's office emphasized the importance of resolving the Saudi businessman murder case to Thailand's strategy of economic recovery through targeting

new markets for Thai agricultural products and labor and sources of investment, including the Gulf States. Panitan said that PM Abhisit had visited Qatar; Bahrain and the U.A.E. were also on Thailand's radar, but the key to better relations with all the Gulf states would be fixing the relationship with Saudi Arabia.

¶15. (C) Prior to the jewelry theft and its aftermath, more than 250,000 Thai workers sent remittances back from Saudi Arabia to Thailand, and Saudi tourists flocked to Thailand, Panitan noted. Afterwards, the Saudi government sent most of the workers home, and restricted the ability of Saudis to travel to Thailand, cutting tourism by 80 percent. Sarasin Viraphong, Executive Vice President of the CP Group, Thailand's largest multi-national, also present at the January 15 lunch with A/S Shapiro, confirmed that whenever he needed to travel to Saudi Arabia, the approval process took six weeks - facing a longer wait than any for other country his business executive colleagues visited world-wide.

¶16. (C) In describing the "new beginning" for the two nations, which would commence with a reopened dialogue with Saudi Arabia, MFA Director Suepsakul insisted that the possible benefits would go beyond increased Saudi tourism to Thailand, new markets in crude oil and gas, or the influx of Thai laborers back to Saudi Arabia. More importantly, better relations with Saudi Arabia could result in better relations

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with the Muslim world and, in particular, Thai Muslims.

BUT WHERE IS THE BLUE DIAMOND?

¶17. (C) Although Thai authorities recovered some of the stolen jewelry, the package returned to Saudi Arabia in March 1990 contained a number of pieces that proved to be fake, including the Blue Diamond. According to the MFA, about 50 percent of the jewels were recovered and returned to the Saudi royal family; some media reports say that as much as 80 percent of the returned jewelry was fake. Soon after the incident, some wives of Thai elites, particularly police commissioners and generals, were photographed wearing jewelry strongly resembling the stolen Saudi jewels at various official or high-society events. While the Blue Diamond itself had been spotted several times on the wife of a police general in the 1990s, since the 2006 coup a number of anti-monarchy web boards and activists have alleged that the most recent sighting of the Blue Diamond was on Queen Sirikit. Where exactly the Blue Diamond is may well remain a mystery, even if the 20 year trail of death which followed it is ultimately resolved.

JOHN